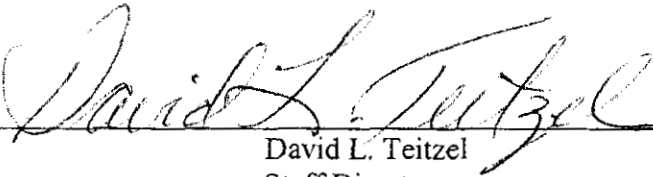


elect to exit the Omaha market, that assertion is flatly incorrect. In fact, multiple providers, including Cox, AT&T, Windstream, Verizon/MCI and others currently serve business customers of all sizes in the Omaha MSA and all represent viable alternatives to Qwest. McLeod also attempts to show that it is being “squeezed” from the Omaha market because it has no alternative other than Qwest for local loop services it requires to deliver retail business services to its end users. This is also incorrect. My declaration shows that several carriers, including Cox, AT&T, Verizon/MCI and the Northwest Iowa Power Cooperative, offer local loop services to other telecommunications carriers serving the Omaha market. With regard to the level of Qwest’s special access prices, my declaration provides clear evidence that Qwest’s interstate special access rates available in the nine OFO wire centers comply with the FCC’s Section 271 “just and reasonable” standard. Finally, while McLeod’s petition attempts to portray a lack of availability of TELRIC-based local loop prices in the nine OFO wire centers as the sole reason McLeod is considering exiting the Omaha telecommunications market, my declaration provides facts regarding McLeod’s business model to provide the Commission with additional insight into factors McLeod must consider as it determines which markets it prefers to serve.

I certify that the foregoing is true and correct to the best of my information and belief.

Executed on August 28, 2007.

A handwritten signature in cursive script, reading "David L. Teitzel", is written over a horizontal line.

David L. Teitzel
Staff Director
Qwest Services Corp.

ATTACHMENT A

REDACTED – FOR PUBLIC INSPECTION

OMAHA MSA
PERCENT CHANGE IN QWEST RETAIL BUSINESS ACCESS LINES
From December 2002 to May 2007

<-- Pre-Forbearance --> <-- Post-Forbearance --> <-- Pre-Forbearance --> <-- Post-Forbearance -->

WIRE CENTER	CLLI8	QWEST RETAIL BUSINESS LINES						PERCENT CHANGE					
		December 2002	December 2003	December 2004	December 2005	December 2006	May 2007	12/02 to 12/03	12/03 to 12/04	12/04 to 12/05	12/05 to 12/06	12/06 to 05/07	Total 12/05 to 05/07
9 Wire Centers													
T	OMAHNE78												
T	OMAHNE90												
ST	OMAHNECE												
ST	OMAHNEFO												
ER ST	OMAHNEFW												
ST	OMAHNEHA												
ST	OMAHNEIZ												
AS	OMAHNENW												
	OMAHNEOS												
- 9 FORBEARANCE WCs													
SA Wire Centers													
ERLOO	BGTNNECO												
	ELKHNENW												
	GRETNENW												
T	OMAHNE84												
VUE	OMAHNEBE												
	SPFDNENW												
	VLLYNENW												
FS MANAWA(MAIN)	CNBLIAMW												
FS DOWNTOWN(WEST)	CNBLIAWA												
NEOLA	CRSCIACO												
	GLWDIACO												
	MLVRACO												
LEY	MSVYIACO												
	NEOLIACO												
	UNWDIACO												
- REMAINING WCs													
HA MSA													

REDACTED - FOR PUBLIC INSPECTION

ATTACHMENT B

Qwest's DS-0 Rate History in Nebraska

	Nebraska PSC Ordered TELRIC Rates (Zone 1) ¹		Qwest Voluntary Reduced "UNE" Rates (Zone 1) ²		Qwest Commercial Rates (OFO WCs)		Percent Commercial Rates Over (Under) TELRIC	
	<u>MRC</u>	<u>NRC</u>	<u>MRC</u>	<u>NRC</u>	<u>MRC</u>	<u>NRC</u>	<u>MRC</u>	<u>NRC</u>
wire loop	\$15.14	\$65.00	\$12.14	\$55.27	\$15.71	\$55.27	3.76%	(15%)
wire loop	\$30.28	\$65.00	\$23.83	\$55.27	\$30.84	\$55.27	1.85%	(15%)

ATTACHMENT C

COMPARISON OF INTERSTATE SPECIAL ACCESS PRICES - DS1s and DS3s
QWEST vs. OTHER RBOCs
(Ameritech, PacBell and SWBT Prices are Pre-AT&T/BellSouth Merger Commitment)

1

	QWEST	VERIZON - BELL ATLANTIC	VERIZON - NYNEX	AT&T- AMERITECH	AT&T- BELLSOUTH	AT&T- PACBELL	AT&T- SWBT
Channel Termination	\$350.00	\$567.10	\$578.99	\$563.20	\$350.00	\$340.00	\$450.00
Mileage (fixed+per mile)	\$252.00	\$328.70	\$328.70	\$382.70	\$266.50	\$205.00	\$250.00
TOTAL DS1 MRC	\$602.00	\$895.80	\$907.69	\$945.90	\$616.50	\$545.00	\$700.00
<i>% Difference vs. Qwest</i>		49%	51%	57%	2%	-9%	

3

Channel Termination	\$4,400.00	\$6,352.50	\$5,494.91	\$4,896.00	\$3,680.00	\$4,100.00	\$3,800.00
Mileage (fixed+per mile)	\$1,500.00	\$2,375.30	\$2,375.30	\$1,436.60	\$2,400.00	\$635.00	\$1,620.00
TOTAL DS3 MRC	\$5,900.00	\$8,727.80	\$7,870.21	\$6,332.60	\$6,080.00	\$4,735.00	\$5,420.00
<i>% Difference vs. Qwest</i>		48%	33%	7%	3%	-20%	

Notes:

- Prices reflect Price Flex Zone 2 rates, with two channel termination and 10 miles assumed. The Price Flex Zone 2 equivalent in Verizon Tariff F.C.C. No. 11 (Bell Atlantic) and in Verizon Tariff F.C.C. 11 (NYNEX) is Price Band 5. Where applicable, prices reflect the average of all states covered.
- Except for DS3 prices in Ameritech, PacBell and SWBT, all prices are month-to-month. Because they no longer offer month-to-month pricing for DS3 services, Ameritech, PacBell and SWBT DS3 prices are for a 12-month term.
- Ameritech, PacBell and SWBT prices do not reflect the temporary reductions committed to by AT&T in the AT&T/BellSouth Merger docket, WC Docket No. 97-174.

**Before the
Federal Communications Commission
Washington, DC 20554**

In the Matter of)	
)	
Petition of Qwest Corporation for Forbearance)	WC Docket No. 04-223
Pursuant to 47 U.S.C. § 160(c) in the)	
Omaha Metropolitan Statistical Area)	

DECLARATION OF LARRY CHRISTENSEN

1. My name is Larry Christensen. I am employed by Qwest Services Corporation¹ ("QSC") as Director Legal Issues, Wholesale Markets. My business address is 1801 California, Denver, CO, 80202. I have been employed by Qwest and its predecessor companies, U S WEST and Northwestern Bell for over 37 years. My current responsibilities include leading a team that negotiates interconnection agreements and amendments, including the *Omaha Forbearance Order* (or "OFO") amendments, to such agreements on behalf of Qwest Corporation ("Qwest"). I also personally negotiate CLEC requested modifications to certain Qwest wholesale commercial agreements, which would include the Qwest Commercial DS0 Loop Facility agreement.

2. The purpose of this declaration is to describe the negotiations that my negotiations team conducted after receiving the grant of forbearance in the *Omaha Forbearance Order*, especially the negotiations conducted with McLeod.

3. To date, of the 58 CLECs with whom Qwest has interconnection agreements in Nebraska, 47 CLECs have executed amendments to bring their interconnection agreement into

¹ Qwest Services Corporation is a subsidiary of Qwest Communications International Inc. that performs support functions, such as business management, for other Qwest entities.

compliance with the OFO. In addition, one CLEC has executed the Qwest Commercial DS0 Loop Facility agreement to purchase DS0s in the nine OFO wire centers.

4. My team does not work with tariffed services, including special access services and its pricing. Mike Logan and Cliff Dinwiddie, both of whom are also Wholesale Markets employees, worked with McLeod regarding the DS1 and DS3 special access pricing options available to McLeod.

5. On April 27, 2006, Qwest provided notice to Julia Redmond-Carter of McLeod via a cover letter under my name requesting execution of Qwest's proposed OFO amendment and, because McLeod was purchasing DS0 UNE Loops in the OFO wire centers, the Qwest Commercial DS0 Loop Facility agreement, which were both included in that notice. *See Exhibit A.* Pursuant to the *Omaha Forbearance Order*, the OFO amendment would make UNE loops unavailable in the nine OFO wire centers and also made UNE dedicated interoffice transit between those same wire centers unavailable.

6. Negotiations for amendments to McLeod's interconnection agreements reflecting the *Triennial Review Order* and the *Triennial Review Remand Order* ("TRO/TRRO"), which my group also handled, started in earnest in early 2006. The primary Qwest negotiators were Nancy Donahue and Sandy Sanderson. Our records show that my negotiators had meetings with McLeod on at least 28 dates in the winter, spring and summer of 2006.² Negotiations on the *TRO/TRRO* continued until August when the Parties became involved in a Qwest and multi-CLEC Wire Center Settlement negotiations in our attempts to resolve most issues.

² Our records show that at least one Qwest negotiator met with McLeod on each of: Thursday, August 10, 2006, Monday, August 07, 2006, Friday, August 04, 2006, Friday, July 14, 2006, Thursday, June 22, 2006, Monday, June 19, 2006, Thursday, June 15, 2006, Tuesday, June 13, 2006, Monday, June 05, 2006, Wednesday, May 31, 2006, Wednesday, May 17, 2006, Monday, May 15, 2006, Monday, May 08, 2006, Monday, May 01, 2006, Wednesday, April 26, 2006, Monday, April 24, 2006, Friday, April 21, 2006, Wednesday, April 19, 2006, Monday, April 17, 2006, Wednesday, April 05, 2006, Monday, April 03, 2006, Wednesday, March 15, 2006, Monday, March 13, 2006, Wednesday, March 08, 2006, Tuesday, March 07, 2006, Friday, March 03, 2006, Wednesday, March 01, 2006, Wednesday, February 22, 2006.

7. In the course of the *TRO/TRRO* negotiations, shortly after the OFO notice was sent to McLeod, Qwest brought up the subject of the OFO. McLeod then expressed a desire to complete the issues of the *TRO/TRRO* before working on the OFO issues. Since McLeod had filed to have the courts overturn the FCC OFO, Qwest agreed to this anticipating a relatively quick resolution of the *TRO/TRRO* issues.

8. For the next year, McLeod did not provide a redlined document or otherwise state what changes it sought with regard to the OFO amendment or to the Qwest Commercial DS0 Loop Facility agreement. Since my team met with McLeod fairly frequently in 2006, not only did McLeod have ample opportunity to make any proposals it wished on the OFO amendment or DS0 pricing, had McLeod felt that it was getting “stonewalled” with respect to negotiating special access pricing, McLeod certainly could have asked any member of my group to touch bases with our colleagues in Wholesale Markets on McLeod’s behalf in order to check status. McLeod did not do so.

9. Qwest again sent CLECs who had not executed OFO amendments, including McLeod, a notice on May 17, 2007 notifying them that the D.C. Circuit Court had rejected CLEC challenges to the OFO and that they must execute amendments to become compliant to the FCC *Omaha Forbearance Order*. See Exhibit B.

10. On June 13, 2007, I received a response letter from William A. Haas, Vice President and Deputy General Counsel for McLeod. See Exhibit C. That letter requested that Qwest offer the same non-recurring transition charge for OFO circuit transitions that had been negotiated with CLECs as part of the *TRO/TRRO* Wire Center Settlement transition charge. Mr. Haas stated “If the NRC issue can be clarified, McLeodUSA will promptly execute the OFO amendment. Please contact Julia Redman-Carter at your earliest convenience to advise of Qwest’s position.”

11. On June 20, 2007, I emailed Julia Redman-Carter indicating that Qwest agreed to charge the transition rate that was agreed to by the parties to the Wire Center Settlement agreement. I also included a revised OFO amendment reflecting that change. *See Exhibit D.* To date, McLeod has not complied with its commitment to execute the OFO amendment.

12. McLeod, on July 24, 2007, provided the first actual written counter-proposal to Qwest's OFO amendment and Qwest Commercial DS0 Loop Facility agreement in the form of proposed rates. *See Exhibit E.* No redlines of the OFO amendment or the DS0 Loop Facility agreement have been provided by McLeod.

I certify that the forgoing is true and correct to the best of my information and belief.

Executed on August 29, 2007.

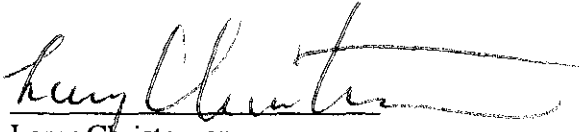

Larry Christensen

EXHIBIT A

From: Cobb, Charlie A
Sent: Thursday, April 27, 2006 12:10 PM
To: 'Redmond-Carter, Julia A.'
Cc: Interconnection Agreements; Sanderson, Sandy R
Subject: QC - McLeodUSA Telecommunications Services Inc: (NE) OFO and QPP Amendments; Commercial DS0 MSA

April 27, 2006

Julia Redmond-Carter
McLeodUSA Telecommunications Services, Inc.
6400 C Street SW
Cedar Rapids, IA 52406

RE: Omaha Forbearance Order (OFO) Amendment to the Interconnection Agreement; Amendment to the Qwest Platform Plus Service (QPP) Agreement; and Commercial DS0 Loop Facility MSA between Qwest Corporation and McLeodUSA Telecommunications Services, Inc. for the state of Nebraska

Dear Julia:

Attached for signature are the above-referenced documents and a letter from Larry Christensen explaining the need for them. **Please print out three (3) copies of each Amendment, Agreement, and all corresponding exhibits.** Upon signing and dating, please return all original documents to Steve Dea at the following address no later than May 27, 2006:

Steve Dea
Manager
Qwest Corporation
1801 California Street, Suite 2410
Denver, CO 80202
303-965-3029

Upon execution by Qwest, fully executed original copies will be returned to you. Qwest will retain one copy and the third will be filed with the appropriate State Commission.

Thank you; please contact Sandy Sanderson at 360-387-6691, if you have any questions.



McLeod-NE-OFO McLeod-OFO Q Comm QPP QPP Ex A - McLeod-NE-QPP McLeod-NE-Com
A Amd (4-18-06.ver Letter (04-27 Ex 2 - Omaha Forbearance SA Amend - OFO; DS0 Loop Facili.



Q Comm DS0 Q Comm DS0
op Facility OFO Mop Facility OFO M

Charlie Cobb
Contract & Development Services
Qwest Services Corporation
1801 California St., 9th Floor
Denver, CO 80202
Phone: 303-383-6598
Fax: 303-383-6664



Larry Christensen
Director – Interconnection Agreements
1801 California, Room 2410
Denver, CO 80202
303-896-4686
larry.christensen@qwest.com

April 27, 2006

Julia Redmond-Carter
McLeodUSA Telecommunications Services, Inc.
6400 C Street SW
Cedar Rapids, IA 52406

Re: CLECs requiring OFO, QPP Amendments, and DS0 MSA

On April 14, 2006, Qwest notified you of changes resulting from the *Forbearance Pursuant to 47 U.S.C. § 160(c) in the Omaha Metropolitan Statistical Area Order* (FCC 04-223) (*Omaha Forbearance Order* ("OFO")) and that Qwest would be contacting you to negotiate appropriate changes to your ICA. The OFO became effective on March 16, 2006.

Pursuant to the OFO, Qwest will no longer offer Unbundled Network Element Loops, whether purchased alone or in combination with QPP™ products, in nine Omaha Wire Centers. In addition, Qwest will no longer offer Unbundled Dedicated Interoffice Transport or Interoffice Dark Fiber between these same Wire Centers.

Your Company has entered into a QPP Master Services Agreement (MSA) with Qwest. Because the QPP MSA refers to your ICA for certain UNE Loop terms that will no longer be provided in the ICA, it is necessary to amend your QPP MSA to include loop as part of QPP services in the impacted wire centers. Your overall QPP rates will not change as a result of this amendment and no service orders are required to complete this QPP change.

Qwest records also indicate that your Company is purchasing DS0 Unbundled Loops in one or more of the nine Wire Centers impacted by the OFO. Therefore, Qwest has included the Qwest Commercial DS0 Loop Facility MSA for your execution so that you may continue to obtain DS0 facilities.

The Parties must also complete and execute the TRO/TRRO Amendment. If you have any questions about the OFO or QPP Amendment or DS0 MSA, please contact Sandy Sanderson at 360-387-6691 to obtain answers.

Sincerely,

Larry Christensen

**Omaha Forbearance Order Amendment
to the Interconnection Agreement between
Qwest Corporation
and
McLeodUSA Telecommunications Services, Inc.
for the State of Nebraska**

This is an Amendment ("Amendment") to incorporate the determinations of the FCC Omaha Forbearance Order into the Interconnection Agreement between Qwest Corporation ("Qwest"), formerly known as U S WEST Communications, Inc., a Colorado corporation, and McLeodUSA Telecommunications Services, Inc. ("CLEC"). CLEC and Qwest shall be known jointly as the "Parties".

RECITALS

WHEREAS, CLEC and Qwest entered into an Interconnection Agreement (such Interconnection Agreement, as amended to date, being referred to herein as the "Agreement") for services in the state of Nebraska which was approved by the Nebraska Commission ("Commission") on April 14, 1999; and

WHEREAS, the Federal Communications Commission ("FCC") promulgated new rules and regulations pertaining to, among other things, the availability of unbundled network elements ("UNEs") pursuant to Section 251(c)(3) of the Telecommunications Act of 1996 (the "Act") in its *Memorandum Opinion and Order on the Petition of Qwest Corporation for Forbearance Pursuant to 47 U.S.C. § 160(c) in the Omaha Metropolitan Statistical Area*, FCC 05-170, WC Docket No. 04-223, (effective September 16, 2005) ("OFO"); and

WHEREAS, the OFO, materially modifies Qwest's obligations under the Act with respect to, among other things, Qwest's requirement to offer certain UNEs in certain wire centers in Omaha, Nebraska; and

WHEREAS, the Parties wish to amend the Agreement to comply with this Decision hereby agree to do so under the terms and conditions contained herein.

AGREEMENT

NOW THEREFORE, in consideration of the mutual terms, covenants and conditions contained in this Amendment and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

I. Amendment Terms.

To the extent applicable, the Agreement is hereby amended by changing or adding terms and conditions for certain UNEs as set forth in Attachment 1 to this Amendment, attached hereto and incorporated herein by this reference.

II. Limitations.

Nothing in this Amendment shall be deemed an admission by Qwest or CLEC concerning the interpretation or effect of the OFO, nor rules, regulations, interpretations, and appeals thereof, including but not limited to state rules, regulations, and laws as they may be issued or promulgated regarding the same. Nothing in this Amendment shall preclude or estop Qwest or CLEC from taking any position in any forum concerning the proper interpretation or effect of OFO or concerning whether the OFO should be changed, vacated, dismissed, stayed or modified.

III. Conflicts.

In the event of a conflict between this Amendment and the terms and conditions of the Agreement, this Amendment shall control, provided, however, that the fact that a term or provision appears in this Amendment but not in the Agreement shall not be interpreted as, or deemed a grounds for finding, a conflict for purposes of this Section III.

IV. Scope.

This Amendment shall amend, modify and revise the Agreement only to the extent the UNEs listed in Attachment 1 are included in the Agreement and, except to the extent set forth in Section I and Section II of this Amendment, the terms and provisions of the Agreement shall remain in full force and effect after the execution date.

V. Effective Date.

This Amendment shall be deemed effective upon approval by the Commission, except where the change of law provision in CLEC's Interconnection Agreement specifies a different effective date. The Parties agree to implement the provisions of this Amendment upon execution ("execution date").

VI. Further Amendments.

The provisions of this Amendment, including the provisions of this sentence, may not be amended, modified or supplemented, and waivers or consents to departures from the provisions of this Amendment may not be given without the written consent thereto by both Parties' authorized representative. No waiver by any Party of any default, misrepresentation, or breach of warranty or covenant hereunder, whether intentional or not, will be deemed to extend to any prior or subsequent default, misrepresentation, or breach of warranty or covenant hereunder or affect in any way any rights arising by virtue of any prior or subsequent such occurrence.

VII. Entire Agreement.

The Agreement as amended (including the documents referred to herein) constitutes the full and entire understanding and agreement between the Parties with regard to the subjects of the Agreement as amended and supersedes any prior understandings, agreements, or representations by or between the Parties, written or oral, to the extent they relate in any way to the subjects of the Agreement as amended.

The Parties intending to be legally bound have executed this Amendment as of the dates set forth below, in multiple counterparts, each of which is deemed an original, but all of which shall constitute one and the same instrument.

**McLeodUSA Telecommunications
Services, Inc.**

Qwest Corporation

Signature

Signature

Name Printed/Typed

L.T. Christensen
Name Printed/Typed

Title

Director- Interconnection Agreements
Title

Date

Date

ATTACHMENT 1

1.0 Unbundled Network Element (UNE) Forbearance

1.1 Pursuant to the Omaha Forbearance Order (OFO), Qwest is no longer required to, and will not provide UNE access according to section 251(c)(3) of the Telecommunications Act of 1996 in the nine Wire Centers located in Omaha, Nebraska as set forth in Section 1.2 below. The following UNEs are impacted: DS0 loops including FTTH-FTTC, DS1 and DS3 loops, including Sub-loops and Network Interface Devices, and dedicated transport network elements, including dark fiber.

1.2 As of the Execution Date of this Amendment CLEC shall not order, and Qwest will not provide, access to UNEs identified in Section 1.1 pursuant to Section 251 of the Act in the following Wire Centers: Omaha Douglas, Omaha Icard Street, Omaha 90th Street, Omaha Fort Street, Omaha Fowler Street, Omaha O Street, Omaha 78th Street, Omaha 135th Street, and Omaha 156th Street ("Forbearance Wire Centers"). Qwest shall provide unbundled DS1 transport if a Wire Center at either end of a requested Route is not a Tier 1 or Forbearance Wire Center, or if neither Wire Center is a Tier 1 or Forbearance Wire Center. Qwest shall provide unbundled DS3 or dark fiber transport if a Wire Center on either end of a requested Route is a Tier 3 Wire Center that is not a Forbearance Wire Center.

1.3 Conversion

1.3.1 Conversion period for embedded base of DS0, DS1 and DS3 Unbundled Loops. CLEC will convert its DS0, DS1, and DS3 Unbundled Loops (embedded customer base) where the loop is provided in the Forbearance Wire Centers, to an alternative arrangement within ninety (90) calendar days after the execution date of this Amendment. CLEC will pay all applicable nonrecurring charges associated with each conversion.

1.3.2 Conversion period for DS0, DS1 and DS3 UDITs. CLEC will convert any UDIT facilities, where those facilities are not in compliance with Section 1.2, within ninety (90) calendar days after the execution date of this Amendment. CLEC will pay all applicable nonrecurring charges associated with each conversion.

1.3.3 Enhanced Extended Loop (EEL) -- The terms and conditions of Section 1.3.1 and 1.3.2 shall apply.

1.3.4 Conversion period for dark fiber (UDF). CLEC will convert its UDF, where the UDF is not in compliance with Section 1.2, to an alternate arrangement within one hundred eighty (180) calendar days after the execution date of this Amendment. CLEC will pay all applicable nonrecurring charges associated with any alternative arrangement. Qwest account representatives will work with CLEC on a plan to identify impacted UDF and to convert any existing UDF facilities to other alternative Qwest products or services, if CLEC so desires.

1.4 Failure to Convert

1.4.1 DS0 Unbundled Loop If CLEC does not convert any or all of its impacted DS0 Unbundled Loops within the prescribed conversion period, all remaining DS0 Unbundled Loops will be billed at a premium

ATTACHMENT 1

rate equal to the rate of the Commercial DS0 Loop Facility. The billing will be based on the number of working circuits on the last working day of each month and the rate difference will appear as a separate element on the CLEC bill at the summary level.

1.4.2 DS1 and DS3 Unbundled Loop and UDIT If CLEC does not convert any or all of its impacted DS1 and DS3 loop and/or transport circuits within the prescribed conversion period, Qwest will convert the facilities to month to month service arrangements in Qwest's Special Access Tariff.

1.4.3 Dark fiber If CLEC does not convert any or all non-compliant dark fiber to alternative service arrangements, Qwest will, or maintains the right to, begin the disconnection process of CLEC dark fiber.

1.5 Effective Bill Date - Regardless of the effective date of this amendment, the effective billing date for rate changes associated with the embedded base of forbore UNEs is March 17, 2006, the effective date as ordered by the FCC in the Omaha Forbearance Order.

QWEST MASTER SERVICES AGREEMENT

This Master Services Agreement, together with this signature page, the general terms and conditions, and Service Exhibits attached hereto (collectively the "Agreement") is between **Qwest Corporation** ("Qwest") and **McLeodUSA Telecommunications Services, Inc.** ("CLEC") (each identified for purposes of this Agreement in the signature blocks below, and referred to separately as a "Party" or collectively as the "Parties"). This Agreement may be executed in counterparts. The undersigned Parties have read and agree to the terms and conditions set forth in the Agreement.

QWEST CORPORATION:

By: _____
L. T. Christensen
Director – Interconnection Agreements
Date: _____

McLeodUSA Telecommunications Services, Inc.:

By: _____
Name: _____
Title: _____
Date: _____

NOTICE INFORMATION: All written notices required under the Agreement shall be sent to the following:

To: Qwest Corp.:
1801 California Street, Suite 2410
Denver, CO 80202
Phone #: 303-965-3029
Facsimile #: 303-965-3527
E-mail: Intagree@qwest.com
Attention: Manager-Interconnection

To: McLeodUSA Telecommunications Services, Inc.:
6400 C Street SW, Box 3177
Cedar Rapids, Iowa 52406
Phone #: 319-790-2250
Facsimile #:
E-mail: jredman-carter@mcleodusa.com
Attention: Julia Redman-Carter, Manager Interconnection

With copy to: Qwest
c/o 1801 California Street, Suite 1000
Denver, Colorado 80202
Facsimile #: 303-965-3527
Attention: Corporate Counsel, Wholesale
Reference: Qwest Corporation MSA

APPLICABLE SERVICES:

Qwest agrees to provide and CLEC intends to purchase the Services indicated below pursuant to the terms and conditions of this Agreement, including the following attached Service Exhibits:

 x Exhibit 1 - Qwest Commercial DS0 Loop Facility

APPLICABLE STATES:

Qwest agrees to provide and CLEC intends to purchase Qwest High Speed Internet Access Service in the states indicated below by CLEC's signatory initialing on the applicable blanks:

 X Nebraska

QWEST MASTER SERVICES AGREEMENT

GENERAL TERMS AND CONDITIONS

1. **Definitions.** Capitalized terms used herein are defined in Addendum 1.

2. **Effective Date.** This Agreement shall become effective upon the latest execution date by the Parties. ("Effective Date")

3. **Term.** This Agreement will continue on a month to month basis unless terminated by either Party on ninety (90) calendar days prior written notice.

4. **Scope of Agreement; Service Provisioning; Controlling Documents; Change of Law; Eligibility for Services under this Agreement; Non-Applicability of Change Management Process.**

4.1 The services described in this Agreement will only be provided in Qwest's incumbent LEC service territory in Nebraska.

4.2 Each of the Services shall be provided pursuant to the terms and conditions of this Agreement. In the event of a conflict between the terms of any Service Exhibit attached hereto and these General Terms and Conditions, the Service Exhibit shall control. The terms of this Agreement, including any Annex or Service Exhibit, shall supersede any inconsistent terms and conditions contained in an Order Form. CLEC acknowledges and agrees that the Services shall be offered by Qwest pursuant to this Agreement and are subject to (i) compliance with all applicable laws and regulations; and (ii) obtaining any domestic or foreign approvals and authorizations required or advisable.

4.3 The provisions in this Agreement are intended to be in compliance with and based on the existing state of the law, rules, regulations and interpretations thereof, including but not limited to Federal rules, regulations, and laws, as of the Effective Date ("Existing Rules"). Nothing in this Agreement shall be deemed an admission by Qwest or CLEC concerning the interpretation or effect of the Existing Rules or an admission by Qwest or CLEC that the Existing Rules should not be changed, vacated, dismissed, stayed or modified. Nothing in this Agreement shall preclude or stop Qwest or CLEC from taking any position in any forum concerning the proper interpretation or effect of the Existing Rules or concerning whether the Existing Rules should be changed, vacated, dismissed, stayed or modified.

4.4 If a change in law, rule, or regulation materially impairs a Party's ability to perform or obtain a benefit under this Agreement, both Parties agree to negotiate in good faith such changes as may be necessary to address such material impairment.

4.5 To receive services under this Agreement, CLEC must be a certified CLEC under applicable state rules. CLEC may not purchase or utilize services covered under this Agreement for its own administrative use or for the use by an Affiliate.

4.6 Except as otherwise provided in this Agreement, the parties agree that services provided under this Agreement are not subject to the Qwest Wholesale Change Management Process ("CMP"), Qwest's Performance Indicators (PID), Performance Assurance Plan (PAP), or any other wholesale service quality standards, liquidated damages, and remedies. Except as otherwise provided, CLEC hereby waives any rights it may have under the PID, PAP and all other wholesale service quality standards, liquidated damages, and remedies with respect to services provided pursuant to this Agreement. CLEC proposed changes to Commercial offerings attributes and process enhancements will be communicated through the standard account interfaces. Change requests common to shared systems and processes subject to CMP will continue to be addressed via the CMP procedures.

5. **CLEC Information.** CLEC agrees to work with Qwest in good faith to promptly complete or update, as applicable, Qwest's "New Customer Questionnaire" to the extent that CLEC has not already done so, and CLEC shall hold Qwest harmless for any damages to or claims from CLEC caused by CLEC's failure to complete or update the questionnaire.

6. **Financial Terms.**

6.1 **Rates and Terms.** Each attached Service Exhibit specifies the description, terms, and conditions specific to the Service. Applicable rates are incorporated into this Agreement by reference. The Parties agree that the referenced rates are just and reasonable.

6.2 **Taxes, Fees, and other Governmental Impositions.** All charges for Services provided herein are exclusive of any federal, state, or local sales, use, excise, gross receipts, transaction or similar taxes, fees or surcharges ("Tax" or "Taxes"). Taxes resulting from the performance of this Agreement shall be borne by the Party upon which the obligation to collect and remit such Taxes is placed upon the other Party. However, where the selling Party is specifically permitted by an Applicable Law to collect such Taxes from the purchasing Party, such Taxes shall be borne by the Party purchasing the services. Each Party is responsible for any tax on its corporate existence, status or income. Taxes shall be billed as a separate item on the invoice in accordance with Applicable Law. The Party billing such Taxes shall, at the written request of the Party billed, provide the billed Party with detailed information regarding billed Taxes, including the applicable Tax jurisdiction, rate, and base upon which the Tax is applied. If either Party ("Contesting Party") contests the application of any Tax collected by the other Party ("Collecting Party"), the Collecting Party shall reasonably cooperate in good faith with the Contesting Party's challenge, provided that the Contesting Party pays any reasonable costs incurred by the Collecting Party. The Contesting Party is entitled to the benefit of any refund or recovery resulting from the contest, provided that the Contesting Party has paid the Tax contested. If the purchasing Party provides the selling Party with a resale or other exemption certificate, the selling Party shall exempt the purchasing Party if the purchasing Party accepts the certificate in good faith. If a Party becomes aware that any Tax is incorrectly or erroneously collected by that Party from the other Party or paid by the other Party to that Party, that Party shall refund the incorrectly or erroneously collected Tax or paid Tax to the other Party.

6.3 Each Party shall be solely responsible for all taxes on its own business, the measure of which is its own net income or net worth, and shall be responsible for any related tax filings, payment, protest, audit and litigation. Each Party shall be solely responsible for the billing, collection and proper remittance of all applicable Taxes relating to its own services provided to its own customers.

7. **Intellectual Property.**

7.1 Except for a license to use any facilities or equipment (including software) solely for the purposes of this Agreement or to receive any service solely (a) as provided in this Agreement or (b) as specifically required by the then-applicable federal rules and regulations relating to service provided under this Agreement, nothing contained within this Agreement shall be construed as the grant of a license, either express or implied, with respect to any patent, copyright, trade name, trademark, service mark, trade secret, or other proprietary interest or intellectual property, now or hereafter owned, controlled or licensable by either Party. Neither Party may use any patent, copyright, trade name, trademark, service mark, trade secret, nor other proprietary interest or intellectual property, now or hereafter owned, controlled or licensable by either Party without execution of a separate

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written agreement between the Parties. Nothing in this Agreement shall be construed as the grant to the other Party of any rights or licenses to trade or service marks.

7.2 Subject to the general Indemnity provisions of this Agreement, each Party (an Indemnifying Party) shall indemnify and hold the other Party (an Indemnified Party) harmless from and against any loss, cost, expense or liability arising out of a claim that the services provided by the Indemnifying Party provided or used pursuant to the terms of this Agreement misappropriate or otherwise violate the intellectual property rights of any third party. The obligation for indemnification recited in this paragraph shall not extend to infringement which results from (a) any combination of the facilities or services of the Indemnifying Party with facilities or services of any other Person (including the Indemnified Party but excluding the Indemnifying Party and any of its Affiliates), which combination is not made by or at the direction of the Indemnifying Party or is not reasonably necessary to CLEC's use of the services offered by Qwest under this Agreement or (b) any modification made to the facilities or services of the Indemnifying Party by, on behalf of, or at the request of the Indemnified Party and not required by the Indemnifying Party. In the event of any claim, the Indemnifying Party may, at its sole option (a) obtain the right for the Indemnified Party to continue to use the facility or service; or (b) replace or modify the facility or service to make such facility or service non-infringing. If the Indemnifying Party is not reasonably able to obtain the right for continued use or to replace or modify the facility or service as provided in the preceding sentence and either (a) the facility or service is held to be infringing by a court of competent jurisdiction or (b) the Indemnifying Party reasonably believes that the facility or service will be held to infringe, the Indemnifying Party shall notify the Indemnified Party and the Parties shall negotiate in good faith regarding reasonable modifications to this Agreement necessary to (1) mitigate damage or comply with an injunction which may result from such infringement or (2) allow cessation of further infringement. The Indemnifying Party may request that the Indemnified Party take steps to mitigate damages resulting from the infringement or alleged infringement including, but not limited to, accepting modifications to the facilities or services, and such request shall not be unreasonably denied.

7.3 To the extent required under applicable federal and state law, Qwest shall use commercially reasonable efforts to obtain, from its vendors who have licensed intellectual property rights to Qwest in connection with facilities and services provided hereunder, licenses under such intellectual property rights as necessary for CLEC to use such facilities and services as contemplated hereunder and at least in the same manner used by Qwest for the facilities and services provided hereunder. Qwest shall notify CLEC immediately in the event that Qwest believes it has used its commercially reasonable efforts to obtain such rights, but has been unsuccessful in obtaining such rights. Nothing in this subsection shall be construed in any way to condition, limit, or alter a Party's indemnification obligations under Section 7.2, preceding.

7.4 Neither Party shall without the express written permission of the other Party, state or imply that: 1) it is connected, or in any way affiliated with the other or its Affiliates; 2) it is part of a joint business association or any similar arrangement with the other or its Affiliates; 3) the other Party and its Affiliates are in any way sponsoring, endorsing or certifying it and its goods and services; or 4) with respect to its marketing, advertising or promotional activities or materials, the services are in any way associated with or originated from the other Party or any of its Affiliates. Nothing in this paragraph shall prevent either Party from truthfully describing the services it uses to provide service to its End User Customers, provided it does not represent the services as originating from the other Party or its Affiliates or otherwise attempt to sell its End User Customers using the name of the other Party or its Affiliates.

7.5 Since a breach of the material provisions of this Section 7 may cause irreparable harm for which monetary damages may be inadequate, in addition to other available remedies, the non-breaching Party may seek injunctive relief.

8. Financial Responsibility, Payment and Security.

8.1 Payment Obligation. Amounts payable under this Agreement are due and payable within thirty (30) calendar Days after the date of invoice. If payment due date falls on a weekend day or on a holiday, the payment date shall be the first business day following such Sunday or holiday.

CLEC may request invoices be sent electronically, but invoice date is the same as if the bill were generated on paper, not the date the electronic delivery occurs.

8.2 Cessation of Order Processing. Qwest may discontinue processing orders for services provided pursuant to this Agreement for the failure of CLEC to make full payment for the services, less any good faith disputed amount as provided for in this Agreement, for the services provided under this Agreement within thirty (30) calendar Days following the payment due date provided that Qwest has first notified CLEC in writing at least ten (10) business days prior to discontinuing the processing of orders for all services. If Qwest does not refuse to accept additional orders for the relevant services on the date specified in the ten (10) business days notice, and CLEC's non-compliance continues, nothing contained herein shall preclude Qwest's right to refuse to accept additional orders for the relevant services from CLEC without further notice. For order processing to resume, CLEC will be required to make full payment of all past-due charges for the relevant services not disputed in good faith under this Agreement, and Qwest may require a deposit (or recalculate the deposit) pursuant to Section 8.5. In addition to other remedies that may be available at law or equity, CLEC reserves the right to seek equitable relief including injunctive relief and specific performance.

8.3 Disconnection. Qwest may disconnect any Services provided under this Agreement for failure by CLEC to make full payment for such Services, less any disputed amount as provided for in this Agreement, within sixty (60) calendar Days following the payment due date provided that Qwest has first notified CLEC in writing at least thirty (30) days prior to disconnecting the relevant Services. CLEC will pay the applicable reconnect charge(s) for each End User Customer disconnected pursuant to this paragraph. In case of such disconnection, all applicable undisputed charges, including termination charges, shall become due. If Qwest does not disconnect CLEC's Service(s) on the date specified in the thirty (30) day notice, and CLEC's noncompliance continues, nothing contained herein shall preclude Qwest's right to disconnect any or all relevant Services. Qwest shall provide a subsequent written notice at least two (2) business days prior to disconnecting Service. The disconnection of Services due to CLEC's failure to pay undisputed charges shall not trigger the disconnection of Services for which CLEC has paid all undisputed charges. For reconnection of the non-paid Service to occur, CLEC will be required to make full payment of all past and current undisputed charges under this Agreement for the relevant Services and Qwest may require a deposit (or recalculate the deposit) pursuant to Section 8.5. In addition to other remedies that may be available at law or equity, each Party reserves the right to seek equitable relief, including injunctive relief and specific performance. Notwithstanding the foregoing, Qwest shall not effect a disconnection pursuant to this section in such manner that CLEC may not reasonably comply with Applicable Law concerning End User Customer disconnection and notification, provided that, the foregoing is subject to CLEC's reasonable diligence in effecting such compliance.

8.4 Billing Disputes. Should CLEC dispute, in good faith, and withhold payment on any portion of the nonrecurring charges or

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monthly Billing under this Agreement, CLEC will notify Qwest in writing within fifteen (15) calendar days following the payment due date identifying the amount, reason and rationale of such dispute. At a minimum, CLEC shall pay all undisputed amounts due to Qwest. Both CLEC and Qwest agree to expedite the investigation of any disputed amounts, promptly provide all reasonably requested documentation regarding the amount disputed, and work in good faith in an effort to resolve and settle the dispute through informal means prior to invoking any other rights or remedies.

8.4.1 If CLEC disputes charges and does not pay such charges by the payment due date, such charges may be subject to late payment charges. If the disputed charges have been withheld and the dispute is resolved in favor of Qwest, CLEC shall pay the disputed amount and applicable late payment charges no later than the next Bill Date following the resolution. CLEC may not continue to withhold the disputed amount following the initial resolution while pursuing further dispute resolution. If the disputed charges have been withheld and the dispute is resolved in favor of CLEC, Qwest shall credit CLEC's bill for the amount of the disputed charges and any late payment charges that have been assessed no later than the second Bill Date after the resolution of the dispute.

8.4.2 If CLEC pays the disputed charges and the dispute is resolved in favor of Qwest, no further action is required. If CLEC pays the charges disputed at the time of payment or at any time thereafter pursuant to Section 8.4.3, and the dispute is resolved in favor of CLEC, Qwest shall, no later than the next Bill Date after the resolution of the dispute: (1) credit CLEC's bill for the disputed amount and any associated interest or (2) pay the remaining amount to CLEC, if the disputed amount is greater than the bill to be credited. The interest calculated on the disputed amounts will be the same rate as late payment charges. In no event, however, shall any late payment charges be assessed on any previously assessed late payment charges.

8.4.3 If a CLEC fails to dispute a rate or charge within the time period specified in Section 8.4.1, adjustment will be made on a going-forward basis only, beginning with the date of the dispute.

8.4.4 If a Party fails to bill a charge or discovers an error on a bill it has already provided to the other Party, or if a Party fails to dispute a charge and discovers an error on a bill it has paid after the period set forth in Section 8.4, the Party may dispute the bill at a later time through an informal process notwithstanding the requirements of Section 8.4, but subject to the Dispute Resolution provision of this Agreement, and Applicable Law.

8.5 **Security Deposits.** In the event of a material adverse change in CLEC's financial condition subsequent to the Effective Date of the Agreement, Qwest may request a security deposit. A "material adverse change in financial condition" shall mean CLEC is a new CLEC with no established credit history, or has not established satisfactory credit with Qwest, or is repeatedly delinquent in making its payments, or is being reconnected after a disconnection of service or discontinuance of the processing of orders by Qwest due to a previous failure to pay undisputed charges in a timely manner. Qwest may require a deposit to be held as security for the payment of charges before the orders from CLEC will be provisioned and completed or before reconnection of service. "Repeatedly delinquent" means any payment of a material amount of total monthly billing under the Agreement received after the payment due date, three (3) or more times during a twelve (12) month period. The INITIAL deposit may not

exceed the estimated total monthly charges for an average two (2) month period. The deposit may be a surety bond if allowed by the applicable Commission regulations, a letter of credit with terms and conditions acceptable to Qwest, or some other form of mutually acceptable security such as a cash deposit. The deposit may be adjusted by CLEC's actual monthly average charges, payment history under this agreement, or other relevant factors, but in no event shall the security deposit exceed five million dollars (\$5,000,000.00). Required deposits are due and payable within thirty (30) calendar Days after demand and non-payment shall be subject to 8.2 and 8.3 of this Section.

8.6 **Interest on Deposits.** Any interest earned on cash deposits shall be credited to CLEC in the amount actually earned or at the rate set forth in Section 8.7 below, whichever is lower, except as otherwise required by law, provided that, for elimination of doubt, the Parties agree that such deposits shall not be deemed subject to state laws or regulations relating to consumer or End User Customer cash deposits. Cash deposits and accrued interest, if applicable, will be credited to CLEC's account or refunded, as appropriate, upon the earlier of the expiration of the term of the Agreement or the establishment of satisfactory credit with Qwest, which will generally be one full year of timely payments of undisputed amounts in full by CLEC. Upon a material change in financial standing, CLEC may request and Qwest will consider a recalculation of the deposit. The fact that a deposit has been made does not relieve CLEC from any required **Late Payment Charge**. If any portion of the payment is received by Qwest after the payment due date as set forth above, or if any portion of the payment is received by Qwest in funds that are not immediately available, then a late payment charge shall be due to Qwest. The late payment charge shall be the portion of the payment not received by the payment due date multiplied by a late factor. The late factor shall be the lesser of: (1) The highest interest rate (in decimal value) which may be levied by law for commercial transactions, compounded daily for the number of days from the payment due date to and including the date that the CLEC actually makes the payment to the Company, or (2) 0.000407 per day, compounded daily for the number of days from the payment due date to and including the date that the CLEC actually makes the payment to Qwest.

9.0 **Conversions/Terminations.** If CLEC is obtaining services from Qwest under an arrangement or agreement that includes the application of termination liability assessment ("TLA") or minimum period charges, and if CLEC wishes to convert such services to a service under this Agreement, the conversion of such services will not be delayed due to the applicability of TLA or minimum period charges. The applicability of such charges is governed by the terms of the original agreement, Tariff or arrangement. Nothing herein shall be construed as expanding the rights otherwise granted by this Agreement or by law to elect to make such conversions.

10. **Customer Contacts.** CLEC, or CLEC's authorized agent, shall act as the single point of contact for its End User Customers' service needs, including without limitation, sales, service design, order taking, Provisioning, change orders, training, maintenance, trouble reports, repair, post-sale servicing, Billing, collection and inquiry. CLEC shall inform its End User Customers that they are End User Customers of CLEC. CLEC's End User Customers contacting Qwest will be instructed to contact CLEC, and Qwest's End User Customers contacting CLEC will be instructed to contact Qwest. In responding to calls, neither Party shall make disparaging remarks about each other. To the extent the correct provider can be determined, misdirected calls received by either Party will be referred to the proper provider of Local Exchange Service; however, nothing in this Agreement shall be deemed to prohibit Qwest or CLEC from discussing its products and services with CLEC's or Qwest's End User Customers who call the other Party seeking such information.

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10.1 In the event Qwest terminates the Provisioning of any service to CLEC for any reason, CLEC shall be responsible for providing any and all necessary notice to its End User Customers of the termination. In no case shall Qwest be responsible for providing such notice to CLEC's End User Customers.

11. Default and Breach If either Party defaults in the payment of any amount due hereunder, or if either Party violates any other material provision of this Agreement and such default or violation continues for thirty (30) calendar Days after written notice thereof, the other Party may terminate this Agreement and seek relief in accordance with the Dispute Resolution provision, or any remedy under this Agreement.

12. Limitation of Liability.

12.1 To the extent the Agreement or a Service Exhibit contains an express remedy in the form of a quality of service credit or other liquidated damages in connection with services provided by Qwest under this Agreement or for a failure to provide such services, such credit shall be deemed to be CLEC's sole remedy under this Agreement for losses, damages, or other claims related to or connected with the events giving rise to the claim for quality of service credit.

12.2 Neither Party shall be liable to the other for indirect, incidental, consequential, exemplary, punitive, or special damages, including (without limitation) damages for lost profits, lost revenues, lost savings suffered by the other Party regardless of the form of action, whether in contract, warranty, strict liability, tort, including (without limitation) negligence of any kind and regardless of whether the Parties know the possibility that such damages could result.

12.3 Nothing contained in this Section shall limit either Party's indemnification and payment obligations specified in this Agreement, nor shall this Section 12 limit a Party's liability for failing to make any payment due under this Agreement.

12.4 The foregoing limitations apply to all causes of actions and claims, including without limitation, breach of contract, breach of warranty, negligence, strict liability, misrepresentation and other torts. In any arbitration under this Agreement, the Arbitrator shall not be able to award, nor shall any party be entitled to receive punitive, incidental, consequential, exemplary, reliance or special damages, including damages for lost profits or any other damages not recoverable under this agreement.

12.5 Nothing contained in this Section shall limit either Party's liability to the other for willful misconduct, provided that, a Party's liability to the other Party pursuant to the foregoing exclusion, other than direct damages, shall be limited to a total cap equal to one hundred per cent (100%) of the annualized run rate of total amounts charged by Qwest to CLEC under the Agreement.

13. Indemnity.

13.1 The Parties agree that unless otherwise specifically set forth in this Agreement the following constitute the sole indemnification obligations between and among the Parties:

13.1.1 Each Party (the Indemnifying Party) agrees to release, indemnify, defend and hold harmless the other Party and each of its officers, directors, employees and agents (each an Indemnitee) from and against and in respect of any loss, debt, liability, damage, obligation, claim, demand, judgment or settlement of any nature or kind, known or unknown, liquidated or unliquidated including, but not limited to, reasonable costs and expenses (including

attorneys' fees), whether suffered, made, instituted, or asserted by any Person or entity, for invasion of privacy, bodily injury or death of any Person or Persons, or for loss, damage to, or destruction of tangible property, whether or not owned by others, resulting from the Indemnifying Party's breach of or failure to perform under this Agreement, regardless of the form of action, whether in contract, warranty, strict liability, or tort including (without limitation) negligence of any kind.

13.1.2 In the case of claims or loss alleged or incurred by an End User Customer of either Party arising out of or in connection with services provided to the End User Customer by the Party, the Party whose End User Customer alleged or incurred such claims or loss (the Indemnifying Party) shall defend and indemnify the other Party and each of its officers, directors, employees and agents (collectively the Indemnified Party) against any and all such claims or loss by the Indemnifying Party's End User Customers regardless of whether the underlying service was provided by the Indemnified Party, unless the loss was caused by the gross negligence or willful misconduct of the Indemnified Party. The obligation to indemnify with respect to claims of the Indemnifying Party's End User Customers shall not extend to any claims for physical bodily injury or death of any Person or persons, or for loss, damage to, or destruction of tangible property, whether or not owned by others, alleged to have resulted directly from the negligence or intentional conduct of the employees, contractors, agents, or other representatives of the Indemnified Party.

13.2 The indemnification provided herein shall be conditioned upon:

13.2.1 The Indemnified Party shall promptly notify the Indemnifying Party of any action taken against the Indemnified Party relating to the indemnification. Failure to so notify the Indemnifying Party shall not relieve the Indemnifying Party of any liability that the Indemnifying Party might have, except to the extent that such failure prejudices the Indemnifying Party's ability to defend such claim.

13.2.2 If the Indemnifying Party wishes to defend against such action, it shall give written notice to the Indemnified Party of acceptance of the defense of such action. In such event, the indemnifying Party shall have sole authority to defend any such action, including the selection of legal counsel, and the Indemnified Party may engage separate legal counsel only at its sole cost and expense. In the event that the Indemnifying Party does not accept the defense of the action, the Indemnified Party shall have the right to employ counsel for such defense at the expense of the Indemnifying Party. Each Party agrees to cooperate with the other Party in the defense of any such action and the relevant records of each Party shall be available to the other Party with respect to any such defense.

13.2.3 In no event shall the Indemnifying Party settle or consent to any judgment for relief other than monetary damages pertaining to any such action without the prior written consent of the Indemnified Party. In the event the Indemnified Party withholds consent the Indemnified Party may, at its cost, take over such defense, provided that, in such event, the Indemnifying Party shall not be responsible for, nor shall it be obligated to indemnify the relevant Indemnified Party against, any cost or liability in excess of such refused compromise or settlement.

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14. Limited Warranties.

14.1 Each party shall provide suitably qualified personnel to perform this Agreement and all services hereunder in a good and workmanlike manner and in material conformance with all applicable laws and regulations.

14.2 EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, QWEST SPECIFICALLY DISCLAIMS ANY AND ALL WARRANTIES, EXPRESS OR IMPLIED, AS TO ANY SERVICE PROVIDED HEREUNDER. QWEST SPECIFICALLY DISCLAIMS ANY AND ALL IMPLIED WARRANTIES, INCLUDING WITHOUT LIMITATION ANY IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR TITLE OR NON-INFRINGEMENT OF THIRD PARTY RIGHTS.

15. Relationship. Except to the limited extent expressly provided in this Agreement: (i) neither Party shall have the authority to bind the other by contract or otherwise or make any representations or guarantees on behalf of the other or otherwise act on the other's behalf; and (ii) the relationship arising from this Agreement does not constitute an agency, joint venture, partnership, employee relationship, or franchise.

16. Assignment or Sale.

16.1 CLEC may not assign or transfer (whether by operation of law or otherwise) this Agreement (or any rights or obligations hereunder) to a third party without the prior written consent of Qwest. Notwithstanding the foregoing, CLEC may assign or transfer this Agreement to a corporate Affiliate or an entity under its control or to a purchaser of substantially all or substantially all of CLEC's assets related to the provisioning of local services in the Qwest region without the consent of Qwest, provided that the performance of this Agreement by any such assignee is guaranteed by the assignor. A Party making an assignment or transfer permitted by this Section shall provide prior written notice to the other Party. Any attempted assignment or transfer that is not permitted is void ab initio. Without limiting the generality of the foregoing, this Agreement shall be binding upon and shall inure to the benefit of the Parties' respective successors and assigns.

16.2 In the event that Qwest transfers to any unaffiliated party exchanges including End User Customers that CLEC serves in whole or in part through facilities or services provided by Qwest under this Agreement, Qwest shall ensure that the transferee shall serve as a successor to and fully perform all of Qwest's responsibilities and obligations under this Agreement for a period of one-hundred-and-eighty (180) days from the effective date of such transfer or until such later time as the FCC may direct pursuant to the FCC's then applicable statutory authority to impose such responsibilities either as a condition of the transfer or under such other state statutory authority as may give it such power. In the event of such a proposed transfer, Qwest shall use best efforts to facilitate discussions between CLEC and the transferee with respect to transferee's assumption of Qwest's obligations after the above-stated transition period pursuant to the terms of this Agreement.

17. Reporting Requirements. If reporting obligations or requirements are imposed upon either Party by any third party or regulatory agency in connection with either this Agreement or the services, including use of the services by CLEC or its End Users, the other Party agrees to assist that Party in complying with such obligations and requirements, as reasonably required by that Party.

18. Reserved for future use.

19. Survival. The expiration or termination of this Agreement shall not relieve either Party of those obligations that by their nature are intended to survive.

20. Publicity. Following the execution of this Agreement, the Parties may publish or use any publicity materials with respect to the execution, delivery, existence, or substance of this Agreement without the prior written approval of the other Party. Nothing in this section shall limit a Party's ability to issue public statements with respect to regulatory or judicial proceedings.

21. Confidentiality.

21.1 All Proprietary Information shall remain the property of the disclosing Party. A Party who receives Proprietary Information via an oral communication may request written confirmation that the material is Proprietary Information. A Party who delivers Proprietary Information via an oral communication may request written confirmation that the Party receiving the information understands that the material is Proprietary Information. Each Party shall have the right to correct an inadvertent failure to identify information as Proprietary Information by giving written notification within thirty (30) Days after the information is disclosed. The receiving Party shall from that time forward, treat such information as Proprietary Information.

21.2 Upon request by the disclosing Party, the receiving Party shall return all tangible copies of Proprietary Information, whether written, graphic or otherwise, except that the receiving Party may retain one copy for archival purposes.

21.3 Each Party shall keep all of the other Party's Proprietary Information confidential and will disclose it on a need to know basis only. Each Party shall use the other Party's Proprietary Information only in connection with this Agreement and in accordance with Applicable Law. In accordance with Section 222 of the Act, when either Party receives or obtains Proprietary Information from the other Party for purposes of providing any Telecommunications Services or information services or both, that Party shall use such information only for such purpose, and shall not use such information for its own marketing efforts. Neither Party shall use the other Party's Proprietary Information for any other purpose except upon such terms and conditions as may be agreed upon between the Parties in writing. Violations of these obligations shall subject a Party's employees to disciplinary action up to and including termination of employment. If either Party loses, or makes an unauthorized disclosure of, the other Party's Proprietary Information, it will notify such other Party immediately and use reasonable efforts to retrieve the information.

21.4 Nothing herein is intended to prohibit a Party from supplying factual information about its network and Telecommunications and Information Services on or connected to its network to regulatory agencies including the FCC and the appropriate state regulatory commission so long as any confidential obligation is protected. In addition either Party shall have the right to disclose Proprietary Information to any mediator, arbitrator, state or federal regulatory body, the Department of Justice or any court in the conduct of any proceeding arising under or relating in any way to this Agreement or the conduct of either Party in connection with this Agreement. The Parties agree to cooperate with each other in order to seek appropriate protection or treatment of such Proprietary Information pursuant to an appropriate protective order in any such proceeding.

21.5 Effective Date of this Section. Notwithstanding any other provision of this Agreement, the Proprietary Information provisions of this Agreement shall apply to all information furnished by either Party to the other in furtherance of the purpose of this Agreement, even if furnished before the Effective Date.

21.6 Each Party agrees that the disclosing Party could be irreparably injured by a breach of the confidentiality obligations of this Agreement by the receiving Party or its representatives and that the